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# REPORT OF THE UNITED NATIONS INTERNATIONAL SYMPOSIUM ON TRADE EFFICIENCY

held at Columbus, Ohio,
from 17 to 21 October 1994

CONTENTS

| | | Page |
|---|---|---|
| | Introduction . . . . . | 2 |
| I. | Columbus Ministerial Declaration on Trade Efficiency . . . . . | 3 |
| | Appendix | |
| | Recommendations and guidelines for trade efficiency . . . . . | 6 |
| II. | Procedural and organizational matters . . . . . | 18 |
| | Annex | |
| I. | List of documents . . . . . | 26 |

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## INTRODUCTION

1. At its eighth session, held in Cartagena de Indias, Colombia, from 8 to 25 February 1992, the United Nations Conference on Trade and Development decided to establish an Ad Hoc Working Group on Trade Efficiency. The Group was to be responsible for producing guidelines needed to take concrete steps towards trade efficiency at the national and international levels, especially in developing countries. The Group was also to identify and formulate the elements necessary to the promotion and implementation of such guidelines, focusing on their legal, technical, procedural and institutional components while preserving full scope for private sector initiatives in this field. The culmination of these efforts of the Group was to be an international symposium on trade efficiency, to be held in 1994. This event was to reinforce international discussion on the promotion of harmonized national and regional infrastructures for trade and trade efficiency. It was to focus especially on the requirements for involving all countries in efficient trade, giving priority to ways and means of promoting the participation of small and medium-sized enterprises in international trade (Cartagena Commitment (TD/346/Rev.1), paras.157-158).

2. At the second part of its thirty-eighth session, held from 21 April to 7 May 1992, the Trade and Development Board, by its decision 398 (XXXVIII), established the terms of reference for the Ad Hoc Working Group on Trade Efficiency. These terms of reference included the preparation of the 1994 international symposium on trade efficiency, as called for in the Cartagena Commitment. The Ad Hoc Working Group held three sessions, the first from 16 to 20 November 1992, the second from 15 to 19 November 1993, and the third from 2 to 11 May 1994.

3. In its resolution 47/183, of 22 December 1992, the General Assembly endorsed the convening in 1994 of a United Nations international symposium on trade efficiency and requested the Secretary-General of UNCTAD to make all the necessary arrangements for that symposium, taking into account the preparatory work of the Ad Hoc Working Group on Trade Efficiency.

4. At the second part of its thirty-ninth session, held from 15 to 26 March 1993, the Trade and Development Board welcomed and endorsed the holding of the Symposium in Columbus (Ohio), United States of America, in 1994.

5. In accordance with a decision taken by the Ad Hoc Working Group on Trade Efficiency at its third session, a Preparatory Committee for the United Nations International Symposium on Trade Efficiency met from 27 June to 1 July 1994. The Preparatory Committee approved the "Draft Columbus ministerial declaration on trade efficiency" and the "Draft recommendations and guidelines for trade efficiency" for transmission to the International Symposium.

6. The United Nations International Symposium on Trade Efficiency was thus held at Columbus, Ohio, from 17 to 21 October 1994. The Symposium consisted of a Senior Officials Segment, held on 17 and 18 October, and a Ministerial Segment, held from 19 to 21 October. The present report contains the outcome of the Symposium, as well as a brief account of procedural and organizational matters.

## Chapter I

## COLUMBUS MINISTERIAL DECLARATION ON TRADE EFFICIENCY*

### Preamble

We, the Ministers and representatives of the States members of the United Nations Conference on Trade and Development, assembled in the City of Columbus (Ohio, United States of America) from 17 to 21 October 1994 at the United Nations International Symposium on Trade Efficiency, declare the following:

1. Greater participation in international trade is a prerequisite for development. Dynamic and healthy international trade is a major instrument for the economic growth and sustainable development of all countries. It also contributes to the goals of poverty alleviation and employment creation on a worldwide basis.

2. The historic signing of the Final Act of the Uruguay Round in April 1994 in Marrakesh (Morocco) marked the successful conclusion of many years of negotiations on the macro-economic framework required for the emergence of an open, predictable, secure and non-discriminatory trading system. However, efforts made to secure an open trade environment will not bear their full benefits unless the enterprises of all nations can import and export efficiently. Here in Columbus we have gathered to find solutions to these micro-economic issues of international trade.

3. Over the last few years, significant progress has been made towards the establishment of more open and dynamic trade relations. Many countries, and in particular developing countries and countries in transition, have made significant efforts to liberalize and adjust their trade policies to multilateral disciplines. In this new context, trade efficiency, which allows faster, simpler, broader and less costly trade, is a valuable policy tool: it offers the natural bridge between the broad objectives of enhancing trade and development on one hand and the practical measures necessary to allow the international community to reach such objectives on the other hand.

### Efficient trade and development

4. Ensuring that no potential trader is excluded from international trade is a priority objective for the international community as a whole. In all countries, potential traders, especially small and medium-sized enterprises, are confined to the margins of international trade because of lack of efficient procedures, lack of access to information and information networks, or inadequate support services or trade logistics. Although the needs to be addressed vary from one country to the next, enterprises of all countries can greatly benefit from higher awareness of efficient business practices and trade facilitation measures. Since such improvements need not be technology-intensive, they can generate substantial benefits at all levels of the development process.

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* At its opening plenary meeting, on 19 October 1994, the Symposium adopted the Columbus Ministerial Declaration on Trade Efficiency. At its closing plenary meeting, on 21 October 1994, the Symposium decided to transmit the Columbus Ministerial Declaration on Trade Efficiency and the supporting recommendations and guidelines for trade efficiency to the General Assembly.

5. Small and medium-sized enterprises, a major instrument of employment creation and technology transfer, need to be better equipped, serviced and trained to export and import more efficiently. Close cooperation among national and local government authorities and enterprise sectors strengthens the ability of these firms to participate fully in international trade.

6. As electronic commerce is rapidly spreading to many sectors of activity and regions of the world, concerted action is required in order to allow all potential traders to rely on simplified, compatible procedures and practices, and to make the best possible use of modern technologies in order to lower the cost of international trade transactions worldwide.

7. Electronic commerce is still an advanced, technology-intensive way to trade; as such, it bears as many opportunities as challenges for the less advanced among the nations of the world. The promotion of electronic commerce worldwide should be based on the principle of equality of access of all countries to systems compatible with the international standards recommended by the United Nations. In order to enhance the participation of developing countries in this new form of trade, special terms of access to electronic networks and business information may be considered. The efforts towards greater efficiency should also contribute to achieving greater equity among trading partners.

8. Adoption of trade efficiency measures can significantly lower the costs of trade transactions. Estimates place the costs of trade transactions at 7 to 10 per cent of the total value of world trade. We believe that promotion and implementation of these measures by all will contribute to greater participation in world trade, thus allowing the creation of new international trade flows. Trade efficiency measures would also result in reduction of trade transaction costs by a quarter or by up to 100 billion dollars annually by the year 2000. We shall strive to reach these objectives through national and collective efforts.

**Trade efficiency measures**

9. To achieve these goals, we have decided to initiate a worldwide process to enhance participation in international trade through a set of practical actions, recommendations and guidelines which may be adopted by Governments, international and national organizations and enterprises as appropriate. These recommendations and guidelines address six areas in which we believe immediate action is feasible and likely to generate tangible results for international trade: customs, transport, banking and insurance, information for trade, business practices, and telecommunications. As a first step in this direction, we are officially launching the Trade Point Global Network, which will allow all member countries to trade more efficiently with each other and help those who have so far remained at the fringe of international trade to participate actively and profitably in it, in particular the least developed countries and small and medium-sized enterprises in all countries.

10. Trade efficiency is a priority area for Governments, international and national organizations and enterprises, all of which will have important and complementary roles to play in the implementation and follow-up of these

recommendations and guidelines. Areas of particular importance in which their energies will need to be combined are those of the adoption, promotion and implementation of international standards, as well as technical and legal frameworks facilitating trade-efficient measures.

11. We agree that technical assistance programmes in the following areas deserve immediate attention: training and awareness in the main areas of trade facilitation and trade efficiency; integration of trade-efficient measures in customs and in financial, transportation, and telecommunications sectors; and promotion and use of agreed international norms and standards for collecting and transmitting trade-related information and messages. We therefore invite the international community to provide substantial and rapid technical and financial assistance to developing countries and countries in transition for the establishment and internetworking of trade points, as well as the implementation of the recommendations and guidelines identified above. The specific needs of the least developed countries in these areas should be considered as a priority.

**Role of UNCTAD in promoting trade efficiency**

12. We designate UNCTAD as the focal point in the implementation of the present Declaration, which will require coordinated efforts by many national and international bodies, with the United Nations system having a central and irreplaceable role. We commend the close cooperation already established between UNCTAD and other bodies, notably the United Nations Economic Commission for Europe (ECE), the International Trade Centre (ITC), the Customs Cooperation Council (CCC) and the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP). We urge that these efforts continue in an integrated fashion, generating synergies among all organizations carrying out this highly valuable work. Coordination with the GATT/WTO and all United Nations regional economic commissions will be of particular importance in facilitation of trade.

13. We note that the rapid transition in technology will bring changes to the present solutions in the years to come. We therefore consider it necessary that policy issues related to trade efficiency continue to be explored by UNCTAD, in close cooperation with other relevant organizations. We encourage UNCTAD to continue its programmes supporting the implementation of efficient trade measures and the extension of trade points to all countries. We look forward to increased trade through more efficient trade.

## Appendix

## RECOMMENDATIONS AND GUIDELINES FOR TRADE EFFICIENCY

### RECOMMENDATIONS TO GOVERNMENTS

### A. Banking and insurance

The availability of modern trade-related finance, payment and risk management products is a critical element in the expansion of international trade within the developing world. Trade inefficiency in financial services can have a significant impact on the ability of firms, particularly small and medium-size enterprises (SMEs), to participate in international trade or to compete effectively with exporters from other countries.

The development of efficient markets for financial services will facilitate increased international trade in goods and services through improvements in the products and levels of service provided by the trade finance community. To further the capacity, efficiency, competitiveness and general development of their financial services industry, consistent with the progress of the General Agreement on Trade in Services negotiations, Governments may consider, bearing in mind their prevailing national circumstances:

1 Addressing the structural aspects of the market for trade-related financial services when formulating policy in the area of financial services regulation. Policy-makers should consider the direct and indirect economic impact of restrictions affecting trade-related financial services, particularly their effect on trading enterprises' competitiveness;

2. Reviewing their current laws and regulations affecting trade finance, insurance and international payments to ensure that they are consistent with accepted international practices;

3. Ratifying and implementing existing international conventions which seek to further harmonize international trade finance law;

4. Evaluating existing exchange control regulations to ensure that they facilitate the use of current financing and payment techniques;

5. Allowing trading enterprises to secure foreign exchange to purchase modern financial products which enhance their competitiveness.

### B. Customs

Customs play a key role in international trade. Every international trade transaction involves at least two Customs interventions, one at export and one at import. It is clear, therefore, that the manner in which Customs conduct their business has a substantial impact on the movement of goods across international borders. To promote the efficient flow of goods in international trade, Governments, through their Customs authorities, should:

1. In consultation with other interested parties (both governmental and non-governmental, as appropriate), clearly define their corporate objectives for Customs and develop and publish an overall long-term plan which sets out the manner in which it is intended to achieve these objectives;

2. Urgently examine their existing Customs practices and institute a programme of reform for those procedures that are identified as inefficient or redundant. Reference should be made to existing international conventions on Customs process simplification and harmonization (the Kyoto Convention of the Customs Cooperation Council). This should be undertaken with national trade and transport interests to ensure full coordination of carrier, port and Customs controls;

3. Maximize the use of information technology to assist Customs in the efficient performance of their duties. Computer applications for the Customs processing of commercial and financial transactions should be developed taking into consideration the experiences of all countries. Consideration should be given where applicable to implementing UNCTAD's programme for Customs computerization and reform, the Automated System for Customs Data (ASYCUDA). Computer interfaces (aimed at using United Nations EDIFACT interchange standards) which allow for the electronic submission of manifests, goods declarations, etc., should be developed and made available to traders;

4. Ensure the effective use of scarce manpower resources by means of risk assessment, profiling, selectivity and targeting techniques to identify high-risk consignments for physical examination. The proportion of consignments to be physically examined by Customs should be kept to a minimum consistent with the accomplishment of control objectives;

5. Take steps to make available facilities for pre-arrival processing of transactions, which can deliver significant trade facilitation benefits and, with appropriate safeguards, does not compromise in any way the control objectives of Customs. The electronic submission of pre-arrival cargo data further facilitates this process;

6. Examine closely the possibility of speeding up, as much as possible, the process of goods release based on a minimum of essential information. However, they should ensure that all information necessary for proper revenue collection, accounting, and precise statistical reporting is communicated to the Customs authorities;

7. Rationalize the cargo clearance process, which frequently requires the intervention of several government agencies in addition to Customs, through coordinated interventions by the agencies concerned or by investing responsibility for all cargo clearance activities in one single authority, i.e. Customs;

8. Simplify procedures for determining Customs value, which can cause significant delays in the clearance of import consignments, through the use of the Customs valuation method prescribed in the GATT Agreement, as administered by the Customs Cooperation Council, which is administratively less complex than other methods currently in use in some countries;

9. Endeavour, where possible and when high Customs tariffs are developed for national revenue, to broaden their tax base so that Customs tariffs may be moderated, since excessively high Customs tariffs encourage evasion through a variety of fraudulent practices and make enforcement more difficult;

10. Take steps to foster a cooperative rather than a confrontational approach to Customs operations. The Memorandum of Understanding (MOU) programme of the Customs Cooperation Council should be used as a vehicle for greater cooperation between Customs authorities and commercial operators;

11. Take steps to ensure the highest level of integrity and professional standards within their Customs service. The measures identified by the Customs Cooperation Council in the Arusha Declaration on Integrity in Customs should be implemented. Effective measures are also required to discourage low standards of integrity in the trading community;

12. Institute Customs reform programmes aimed at enhancing the efficiency and effectiveness of their Customs services, thereby avoiding as far as possible, for example, the need to use the services of pre-shipment inspection agencies to carry out Customs-related activities. While recourse to such services might be a necessity in certain circumstances, it should be regarded as an interim measure and conducted in conformity with the provisions of the agreement on preshipment inspection (PSI) annexed to the Marrakesh agreement;

13. Consider, as appropriate, setting minimum standards for shipping agents, freight forwarders and Customs clearing agents/brokers or encourage these professions to set their own standards and monitor performance, since the factors causing delays in the release of goods include inefficiency and lack of professionalism on the part of some members of these professions;

14. Ensure maximum transparency and fluidity of Customs operations by providing the trading community with the necessary information on Customs formalities and requirements. Such information should be kept up to date and should be easily accessible;

15. Enhance Customs controls and facilitate import clearance by considering, on a bilateral (or multilateral) basis, the routine electronic transmission of export data from the country of export to the Customs authority of the importing country, in accordance with the laws and regulations concerning disclosure of information;

16. Ensure, in countries where foreign trade statistics are based on Customs data, the reliability of the raw statistical data, as well as their timely transfer to the institutions responsible for the compilation of trade statistics;

17. Ensure that Customs are adequately resourced to perform their designated role efficiently, effectively and to a high standard of professional ethics, since a Customs service starved of resources will certainly be an obstacle to trade;

18. Offer training (including through scholarships) especially directed to Customs professionals in developing countries for training nationally or abroad

in cooperation with the Customs Cooperation Council (CCC) and/or UNCTAD. This training should cover the requirements of international Customs conventions and regional integration, with emphasis on operational aspects;

19. Ensure, through their representatives on the ruling body of the Customs Cooperation Council, that the Council is adequately resourced to carry out the urgent technical assistance tasks which it is called upon to do. The Council, as the international organization for Customs matters, has a key role to play with regard to the implementation of many of the above recommendations by its member administrations.

## C. Business information for trade

Business information plays a key role in international marketing and competitiveness. Access to timely, accurate business information and the ability to use the information is a major factor in international trade efficiency. To promote the free flow of business information and equal access to that information by enterprises of all sizes, Governments should:

1. Encourage enterprises, in particular newcomers to international trade and small and medium-size enterprises, to explore the scope for internationalization, as appropriate;

2. Facilitate circulation of, and access to, sources of economic and business information, which represent an important input in the transition to a more outward-looking development pattern. Particular consideration should be given to SMEs and newcomers to international trade. For example,trade promotion organizations and trade commissioner services could be used. International experience on the conditions of success for running efficient business centres and services should be taken into account;

3. Improve training capacities for more effective use of business information, particularly in developing countries and economies in transition. This should include the strengthening of local training institutions (training of trainers), as well as specialized training assistance to trade promotion institutions, business associations and the enterprise sector;

4. Make special efforts to ensure that the necessary telecommunications infrastructures are in place to permit effective access to business information sources, such as on-line databases, especially in developing countries and countries in transition;

5. Support the use of internationally accepted standards, formats, and coding systems when used in the dissemination of information;

6. Ensure a non-discriminatory and conducive policy framework for commercial suppliers of business information;

7. Ensure that a focal point exists in each country to collect, process and make available for retrieval all relevant information on the country's trade regulations, product by product and using standard formats;

8. Develop a coordinated approach to the complex tasks of government institutions relating to business information, for example by establishing a national focal point;

9. Ensure the availability and reliability of up-to-date trade statistics, including those on trade volume and values, using internationally compatible nomenclatures; submit those statistics on a timely basis to the United Nations Statistical Office; and encourage the use of available modern technologies in the collection and dissemination of statistics;

10. Encourage public and private business information services to strengthen their capacities as intermediaries and interpreters of business information, in particular for small and medium-size enterprises;

11. Encourage government departments which generate business information, such as departments of statistics, Customs, ministries of trade, central banks, etc., to develop efficient methods of disseminating that data to meet the needs of national and international business communities;

12. Encourage trade points to provide national and international business information.

## D. Transport

Trade and transport are inextricably linked; efficient transport services are a prerequisite for successful trading. Growth in international trade demands the implementation of trade efficiency measures in the transport sector. To support rapid growth in international trade, Governments should:

1. Review current transport laws and regulations with a view to encouraging the adoption of commercial practices in the transport chain and investment by both domestic and foreign investors;

2. Implement specific transport operations improvements, such as encouraging the development of multimodal transport operations, the formation of block-train services, and granting of container terminal concessions to companies that operate according to commercial practices; provide guidelines to update commercial banking and insurance practices in line with international practices recommended by the International Chamber of Commerce (ICC); and stimulate private investment in training;

3. Develop subregional cooperation projects regarding harmonization of transport regulatory policies and legal regimes to find multilateral solutions to existing problems, particularly in the field of Customs transit, taking into account international models of aligned documentation developed by the Customs Cooperation Council and UNCTAD;

4. Encourage the establishment of subregional databases on transport.

## E. Telecommunications

Telecommunications are a key factor for international trade in goods and services. Open access to international telecommunications is critical for efficient trade, and therefore Governments should:

1. Develop efficient telecommunications services to serve the needs of participants in international trade;

2. Prepare for and allow competition with regard to value-added services as appropriate;

3. Identify the minimum service requirements necessary for the efficient use of telecommunications networks for local, national and international trade by small and medium-sized enterprises;

4. Provide the necessary support and assistance to enhance capacity-building in the area of telecommunications in order to allow all participants in international trade to benefit from efficient trade practices and trade-supporting services. In doing so, they should keep in mind the Buenos Aires Declaration and Action Plan adopted at the First World Telecommunications Development Conference in March 1994. Special attention should be granted to the specific situation of the least developed countries;

5. Ensure development of network access in remote or low-density regions for small business users through the adoption of appropriate network architectures;

6. Establish the necessary telecommunications networks and services to enable the efficient functioning and interconnecting of all trade points, thereby achieving maximum benefits for all participants.

## F. Business practices

Obtaining new market opportunities requires not only the maintenance of free trade principles, but also substantial improvements in the efficiency of the overall trading process. Trade efficiency can be achieved as a result of trade facilitation, improving access to better marketing information and the adoption of new business concepts. In this context, Governments should:

1. Ensure that trade facilitation issues are taken into account when formulating trade and transport policies;

2. Set up national committees where government services and commercial operators are represented to promote trade facilitation where not already in existence, with a clear remit:

   - To reduce administrative impediments, in both public and private sectors, and search for concerted solutions to international trade- and transport-related issues;

- To encourage the use of best practice, including information technology, throughout the trading, transport and distribution, and payment processes, following international standards; and

- To help develop the skills of the people involved;

3. Encourage subregional meetings of national trade facilitation committees;

4. Ensure that the national trade facilitation committee assists traders in carrying out their work in two ways:

- Simplifying, coordinating and standardizing procedures for exports and imports by all modes of transport;

- Developing an aligned import and export document system, both for paper documents and their electronic equivalent, based on international standards, the United Nations Layout Key for paper documents, and the United Nations Electronic Data Interchange for Administration, Commerce and Transport (EDIFACT);

5. Encourage close cooperation among all organizations working in the area of business practices, especially the continuing close cooperation among UNCTAD, the Economic Commission for Europe (ECE) and the International Trade Centre UNCTAD/GATT;

6. Establish transparent and simplified procedures to obtain licences for exports or imports of restricted or sensitive products. Once a licence is issued, control should be linked to routine export and import controls, for example, customs clearance;

7. Establish simplified procedures to obtain foreign exchange for international trade;

8. Simplify the procedures for certification of origin;

9. Ensure that national regulations on dangerous goods conform to the relevant international standards; where possible, the dangerous goods declaration should be incorporated in an existing commercial document;

10. Review their international trade statistical needs in order to keep data requirements to a minimum. Data should be collected at a time, and in a way, that cause minimum delay to the movement of goods, such as periodic scheduled returns;

11. Ensure, when the public sector provides international trade services or buys and sells goods, that efficient procedures are used.

**RECOMMENDATIONS TO TRADE POINTS**

Trade Points are a valuable source of full, impartial and accurate information on all aspects of trade transactions. They seek to supply the best possible information in all areas of trade, guaranteeing equal treatment to all

their partners and actively avoiding any monopoly or exclusive position in relation to service providers and other trade points. They assist traders in carrying out trade transactions, using modern information technology and in accordance with international standards. In addition, they are laboratories for national trade efficiency policies.

The two main goals of Trade Points in assisting their national exporters and importers are to lower the cost of trade transactions and to encourage expanded participation in international trade, especially the participation of small and medium-sized enterprises.

The successful completion of the Uruguay Round has opened new opportunities for international trade. Trade Points can provide a valuable service by advising their clients on how to take advantage of these new opportunities.

## A. Banking and insurance

Trade Points should:

1. Provide export clients, particularly SMEs, with comprehensive financial advisory services, including information on available finance, payment and risk management alternatives;

2. Establish a computerized database of qualified financial services providers to support financial advisory services;

3. Develop as soon as possible a database for providers of financing, payment services, credit insurance and credit information;

4. Facilitate access to foreign credit information;

5. Be prepared to advise clients on the pre-shipment financing facilities available in their country or region;

6. Facilitate access to export factoring services for their export clients;

7. Be able to refer clients to qualified forfeiters and assist client importers in obtaining the requisite guarantees;

8. Be able to refer clients to qualified countertrade brokers and financial institutions which specialize in facilitating countertrade transactions;

9. Determine the potential demand for lease financing services based upon the local volume of capital equipment exports. Local financial institutions with a leasing capability or international leasing specialists should be included in the financial services referral service;

10. Facilitate the availability of information on credit insurance to their clients;

11. Provide advice to exporters, in particular new exporters, for adequate use of credit insurance in light of the method of payment of the commercial transaction and potential risk;

12. Work cooperatively with national and multilateral agencies to draw up finance and guarantee programmes which are appropriate to their clients' needs and the capabilities of domestic financial systems;

13. Through the Trade Point Network, seek to participate in national and regional efforts, both public and private, to develop or improve payment and clearing systems. In these efforts, electronic data interchange (EDI) capabilities should be designed under Electronic Data Interchange for Administration, Commerce and Transport (EDIFACT) standards, and the system design should facilitate linkages to other national and regional clearing systems.

### B. Telecommunications

Trade Points should:

1. Equip themselves initially with the basic telecommunications equipment necessary to service their clients and link up with other Trade Points. This basic equipment should include capacity for EDI, E-mail and database services, and all functions should be based on the use of appropriate international standards. The level of equipment should be in keeping with each Trade Point's service management capacity and with available human and financial resources, but Trade Points should seek to enhance their capacity to match the growing needs of clients;

2. Develop interconnections through networks of all types so that they are able to contact a wide range of markets for their clients. In developing countries, where telecommunications resources may not be sufficient initially to provide the level of services desired by their clients, development of telecommunications capacity should be a priority;

3. Encourage training in the use of communication and information technology for trade to increase capacities within their own countries;

4. Create, in cooperation with other Trade Points in the UNCTAD Trade Point Global Network, a mechanism to allow easy and direct transfer of materials and technical assistance from private sector donors to Trade Points requesting such assistance, particularly Trade Points in LDCs. This mechanism, in conjunction with UNCTAD, should seek *inter alia* to obtain access and preferential terms to international telecommunication services.

## GUIDELINES FOR OTHER PARTICIPANTS IN INTERNATIONAL TRADE

### A. Business practices

#### *Guidelines for traders*

International Trade is more complex in many ways than domestic trade. Firstly, there are more parties (often 12-15) and therefore more documents;

secondly, the delivery of the goods can be made not only at the factory or customers' gates but at 11 other points (e.g. ports, frontiers) in between. This means that the division of costs, risks and responsibilities between the buyer and the seller varies depending on the terms used. For a smooth and effective transaction, it is necessary for the seller to deliver the goods at the right place and time and for the buyer to complete the movement of the goods and pay for them, as per contract.

When preparing to trade internationally it is important, therefore, for all companies, large and small, to develop a trading strategy and plan operations carefully.

Traders should:

1. Prepare a suitable export strategy which covers:

   - Market research;
   - Arranging the contract;
   - Getting the goods to market;
   - Documentation and export administration;
   - Getting paid; and
   - Customer service;

2. Concentrate, in market research, on only a few markets with sufficient potential and where the product has also some competitive advantage; ensure that all costs are identified and are included in the sale price; prepare a marketing plan that allocates adequate resources;

3. Ensure that the correct terms of trade and payment are used in arranging the contract; train staff to use INCOTERMS 1990, produced by the International Chamber of Commerce; investigate payment options, including comparative cost and risks;

4. Use a carefully chosen freight forwarder, or export administration company, who can obtain competitive quotations for their products and can arrange transport, insurance, official documentation and customs clearance, for all methods except post;

5. Follow international documents standards and the national aligned document system; install a system compatible with requirements; pay particular attention to providing accurate, timely information to customers, Customs and other official bodies and to all those providing services, e.g. forwarders, ports, carriers, and banks;

6. Plan and manage the export payment process, selecting the most appropriate payment methods; when using letters of credit, bearing in mind the high risk of mistakes and errors, etc., and the potential payment delays that stem from them:

   - Send a pro-form to the buyer at an early stage;

   - Check credits for accuracy as soon as they are received, and have them corrected.

7. Importers should use the most appropriate purchasing practices to ensure that the goods can be cleared of Customs, etc., as soon as they arrive.

*Guidelines for providers of international trade services*

1. International trade services should:

Simplify the procedures associated with their services as far as possible and use international standard practices and information standards for documents and electronic messages.

2. Transport services should:

Develop multi-purpose shipping notes and consignment instructions as part of national document systems;

Revise commercial and official practices as countries develop multimodal transport systems.

3. Maritime operators should:

Offer traders non-negotiable documents as an alternative to negotiable bills of lading.

4. Financial services should:

Review commercial payment procedures associated with letters of credit and documentary collections to ensure that they follow current trade/transport practices and international standards;

Introduce and encourage express money transfer systems, which reduce payment "float time" to the minimum;

Simplify cargo insurance procedures, using the "open cover" principle whenever possible.

5. Communications services should:

Interconnect value added networks (VANs), so that traders can contact all their customers/suppliers. VANs should provide levels of security and end-to-end audit to meet user requirements.

## B. Business information for trade

1. All suppliers of business information are encouraged to prepare in a timely fashion and improve business information for and about developing countries and economies in transition, in particular in the area of company information.

2. Suppliers of business information in developed countries are invited to provide business information to small and medium-sized enterprises of developing countries on a preferential basis whenever possible.

3. All participants in international trade are encouraged to strengthen training capacities for more effective use of business information.

4. Suppliers and users of business information are encouraged to use existing standards and coding systems, e.g. Electronic Data Interchange for Administration, Commerce and Transport (EDIFACT) for data interchange, Company Register (COMREG) for company registers, and the Harmonized System (HS) for product classification.

5. Business associations are encouraged to strengthen the important contribution that they are making towards increasing the efficiency of international marketing through business information. In line with their specific mandates and resources, they are urged to increase assistance and training on how to interpret and apply business information effectively for export and import marketing. Business associations are urged to expand the services available to small and medium-sized enterprises (SMEs) and newcomers to international trade by facilitating membership arrangements. In this process, particular attention should be given to the needs of firms in developing countries. Conversely, SMEs are urged to join local business associations to strengthen them and to help them meet the particular needs of SMEs.

6. Regional and international organizations are encouraged to adopt pricing policies for foreign trade and other business statistics so that this information is affordable to all potential users, so as to encourage new participants to enter global markets, particularly from developing countries and countries in transition.

## Chapter II

## PROCEDURAL AND ORGANIZATIONAL MATTERS

### A. Senior Officials Segment

### 1. Opening of the Segment

1. The Senior Officials Segment of the United Nations International Symposium on Trade Efficiency was opened on Monday, 17 October 1994, by Ms. E. Shelton (United States of America), Chairperson of the Preparatory Committee for the United Nations International Symposium for Trade Efficiency.

2. Opening addresses were delivered by Ms. M. Kimble, Chairperson of the Senior Officials Segment; Mr. D. Bennett, Assistant Secretary of State for International Organization Affairs, United States of America; Mr. G. Lashutka, Mayor of Columbus; Mr. C. Fortin, Officer-in-Charge of UNCTAD; and Mr. R. Butler (Australia), President of the Economic and Social Council.

### 2. Election of officers

**(Agenda item 1)**

3. At their opening meeting, the Senior Officials elected their officers by acclamation, as follows:

| | | |
|---|---|---|
| Chairperson: | Ms. M. Kimble | (United States of America) |
| Vice-Chairmen: | Mr. W. Rossier | (Switzerland) |
| | Mr. A. von Hardenberg | (Germany) |
| | Mrs. J. Wright | (United Kingdom) |
| | Mr. Y. Afanassiev | (Russian Federation) |
| | Mr. T. Husak | (Czech Republic) |
| | Mr. T. Roy | (India) |
| | Mr. A. A. Khan | (Bangladesh) |
| | Mr. E. Tironi | (Chile) |
| | Mr. M.A. Becerra | (Bolivia) |
| | Mr. D. du Rand | (South Africa) |
| Rapporteur: | Mr. A. Rachdi | (Morocco) |

4. The Senior Officials also decided to recommend that the country composition of the Bureau would remain the same for the Ministerial Segment.

### 3. Adoption of the rules of procedure

**(Agenda item 2)**

5. The Senior Officials decided that the rules of procedure of the Symposium would be, *mutatis mutandis*, those of the Trade and Development Board.

## 4. Adoption of the agenda and organization of work

**(Agenda item 3)**

6. The Senior Officials adopted their provisional agenda (TD/SYMP.TE/1), as follows:

1. Election of officers
2. Adoption of the rules of procedure
3. Adoption of the agenda and organization of work
4. Report of the Preparatory Committee
5. Consideration of the draft Columbus Ministerial Declaration
6. Consideration of draft recommendations and guidelines for trade efficiency
7. Facilitating global trade
8. Presentation of solutions for key sectors of trade efficiency: Customs, business information for trade, banking and insurance, transport, telecommunications, business practices
9. Provisional agenda for the Ministerial Segment
10. Other business
11. Adoption of the report of the Senior Officials Segment to the Ministerial Segment.

7. With regard to the organization of work, the Senior Officials decided that agenda items 5 and 6 would be taken up in the Bureau and that the Bureau would recommend to the Senior Officials in plenary the transmission of the draft Columbus Ministerial Declaration and of the draft recommendations and guidelines for trade to the Ministerial Segment for adoption.

8. Concerning agenda item 7, the Senior Officials decided that it would be taken up in a special segment. The keynote speaker for the special segment was Mr. R. Walker, Simpler Trade Procedures Board, United Kingdom.

9. Concerning agenda item 8, the Senior Officials decided that six sectoral sessions would be held with the participation of key actors and experts in the sectors. Each session would have a Chairman and a Session Leader, as follows: Customs: Mr. G. Ludlow, Comptroller of Customs, New Zealand (Chairman) and Mr. J. Shaver, Secretary-General, World Customs Organization (Session Leader); trade information: Mr. W. Rossier (Switzerland), Vice-Chairman of the Senior Officials Segment (Chairman) and Mr. J.D. Belisle, Executive Director, International Trade Centre UNCTAD/GATT (Session Leader); banking and insurance: Mr. A.A. Khan, Chairman of the National Revenue Board, Bangladesh (Chairman) and Mr. K. Ouedraogo, Vice-Govenor, Central Bank of West African States, Senegal; transport: Mr. A. Brahimi, Director-General of Foreign Trade, Algeria (Chairman) and Mr. K. Hannarskjöld, CEO and President, Atwater Institute, Canada (Session Leader); telecommunications: Mr. E. Tironi (Chile), Vice-Chairman of the Senior Officials Segment (Chairman) and Mr. J. Arlandis, Director, Institut de l'Audiovisuel et des Télécommunications en Europe, France, and Mr. L. Gille, CEO, Sirius, France (Session Leaders); business practices: Mr. T. Blomfeldt (Finland), Chairman of ECE WP.4 (Chairman cum Session Leader).

10. Finally, the Senior Officials agreed that the regional coordinators and China, as well as the five Chairmen of the Sectoral Sessions, should be fully associated with the work of the Bureau.

## 5. Report of the Preparatory Committee

**(Agenda item 4)**

11. The Chairperson of the Preparatory Committee made a statement in introduction to the Preparatory Committee's report (TD/SYMP.TE/4).

## 6. Consideration of the draft Columbus Ministerial Declaration and the draft recommendations and guidelines for trade efficiency

**(Agenda items 5 and 6)**

12. At their closing plenary, on 18 October 1994, the Senior Officials recommended to the Ministerial Segment the adoption of the draft Columbus Ministerial Declaration (TD/SYMP.TE/R.1) and the draft recommendations and guidelines referred to therein (TD/SYMP.TE/R.2).

## 7. Presentation of solutions for key sectors of trade efficiency: Customs, business information for trade, banking and insurance, transport, telecommunications, business practices

**(Agenda item 8)**

13. The Senior Officials decided that the Chairman's summary of the work of the sectoral sessions on policy issues and possible actions for further consideration (TD/SYMP.TE/Misc.2/Rev.1) should be transmitted to the Ministers for consideration in their discussions and deliberations during the substantive segments.

## 8. Provisional agenda for the Ministerial Segment

**(Agenda item 9)**

14. At their closing plenary, on 18 October 1994, the Senior Officials approved the provisional agenda for the Ministerial Segment (TD/SYMP.TE/1/Add.1/Rev.1).

## 9. Adoption of the report of the Senior Officials Segment to the Ministerial Segment

**(Agenda item 11)**

15. The Senior Officials agreed that the procedural part of their report would be completed by the Rapporteur under the authority of the Chairperson and would constitute part of the records of the Symposium.

## B. Ministerial Segment

### 1. Election of the President and opening of the Ministerial Segment

**(Agenda item 1)**

16. The Ministerial Segment of the United Nations International Symposium on Trade Efficiency was opened on Wednesday, 19 October 1994, by Ms. M. Kimble (United States of America), Chairperson of the Senior Officials Segment.

17. Mr. Ron Brown, Secretary of Commerce, United States of America, was elected President of the Ministerial Segment by acclamation.

### 2. Election of the other members of the Bureau

**(Agenda item 2)**

18. At its opening meeting, the Ministerial Segment elected the other members of the Bureau as follows:

| | | |
|---|---|---|
| Vice-Presidents: | Mr. F. Blankart | (Switzerland) |
| | Mr. E. A. Horig | (Germany) |
| | Sir Derek Hornby | (United Kingdom) |
| | Mr. G. Gabounia | (Russian Federation) |
| | Mr. V. Dlouhy | (Czech Republic) |
| | Mr. P. Mukherjee | (India) |
| | Mr. M. Shamsul Islam | (Bangladesh) |
| | Mr. C. Mladinic | (Chile) |
| | Mr. T. A. Manuel | (South Africa) |
| | Mr. C. Morales Landivar | (Bolivia) |
| Rapporteur-General: | Mr. O. Kabbaj | (Morocco) |

### 3. Adoption of the agenda and organization of work

**(Agenda item 3)**

19. The Ministerial Segment adopted its provisional agenda (TD/SYMP.TE/1/Add.1/Rev.1), as follows:

1. Election of the President and opening of the Ministerial Segment
2. Election of the other members of the Bureau
3. Adoption of the agenda and organization of work
4. Report of the Senior Officials Segment
5. Adoption of the Columbus Ministerial Declaration on Trade Efficiency and launching of the Trade Point Global Network
6. A vision for international trade:
   - (a) Truly global trade
   - (b) Technology and trade
   - (c) Role of Governments
   - (d) Trade efficiency and development

7. Other business
8. Closing of the Symposium

20. The Ministerial Segment also approved the organization of work as set out in document TD/SYMP.TE/1/Add.1/Rev.1.

## 4. Report of the Senior Officials Segment

**(Agenda item 4)**

21. The Chairperson of the Senior Officials Segment made a statement reporting on the work of the Senior Officials.

## 5. Adoption of the Columbus Ministerial Declaration on Trade Efficiency and launching of the Trade Point Global Network

**(Agenda item 5)**

22. At its opening plenary meeting, on 19 October 1994, the Ministerial Segment adopted the Columbus Ministerial Declaration on Trade Efficiency (see part I above). At its closing plenary meeting, on 21 October 1994, the Ministerial Segment decided to transmit the Columbus Ministerial Declaration on Trade Efficiency and the supporting recommendations and guidelines for trade efficiency to the General Assembly.

## 6. Addresses delivered at the inaugural ceremony and opening plenary, and message received

23. At the inaugural ceremony, addresses were delivered by Mr. Boutros Boutros-Ghali, Secretary-General of the United Nations; Mr. Greg Lashutka, Mayor of Columbus; Mr. George Voinovich, Governor of Ohio; Mr. Ron Brown, President of the Symposium.

24. At the opening plenary, addresses were delivered by Mr. Carlos Fortin, Officer-in-Charge of UNCTAD; Mr. Ron Brown, President of the Symposium; Senator John Glenn, United States of America, on behalf of the host country; Mr. Shamsul Islam, Bangladesh, on behalf of the least developed countries; Mr. Supachai Panitchpakdi, Thailand; Mr. Ernest-August Horig, Germany, and Mr. A. van Agt, European Commission, jointly on behalf of the European Union by the Presidency and the Commission of the European Union; and Mr. Alan Winters, World Bank.

25. A message was received from Mr. Victor Chernomyrdin, Prime Minister of the Russian Federation (TD/SYMP.TE/5).

## 7. A vision for international trade: (a) truly global trade; (b) technology and trade; (c) role of Governments; (d) trade efficiency and development

**(Agenda item 6)**

26. In accordance with the approved organization of work, each sub-item was introduced through a panel discussion led by a moderator, followed by comments from participating ministers. The moderators for the respective sub-items were: truly global trade: Mr. Guy de Jonquières, Business Editor, The Financial Times; technology and trade: Mr. Denis Gilhooly, Publishing Director, Communications Week International; role of Governments: Mr. Guy de Jonquières, Business Editor, The Financial Times; trade efficiency and development: Mr. Lou Dobbs, Senior Vice-President, CNN. Under sub-item (d), a global Trade Point video conference involving several Trade Points took place.

27. At the closing plenary, on 21 October 1994, the President presented a draft summary of issues discussed during the plenary meetings of the Ministerial Segment.

28. The Ministerial Segment noted the summaries presented by the President of the Ministerial Segment and the Chairperson of the Senior Officials Segment and decided to transmit them to the Trade and Development Board and to request the Trade and Development Board to report thereon to the General Assembly. (For the text of the summaries, see document TD/B/EX(8)/2 - TD/SYMP.TE/7).

## 8. Advisory Board and Honorary Board

29. In accordance with a decision taken by the Ad Hoc Working Group on Trade Efficiency at its second session (15 - 19 November 1993), the Executive Secretary set up an Advisory Board composed of internationally known personalities with a record of innovativeness and efficiency and an interest in international trade to contribute in their personal capacity to enriching and introducing some of the subject matters to be dealt with in the Ministerial Segment of the Symposium (TD/B/40(2)/3, annex II, para.7).

30. The Advisory Board was constituted as follows: Mr. Hrant Bagratian, Prime Minister, Armenia; Mr. Carlo De Benedetti, Chairman and CEO, Olivetti S.p.A.; Mr. Richard Butler, President of the Economic and Social Council; Ms. Liliana Canale, Minister of Industry, Tourism, Integration and International Trade Negotiations, Peru; Mr. Jean-Pascal Delamuraz, Federal Councillor, Switzerland; Mr. Vladimir Dlouhy, Minister of Industry and Trade, Czech Republic; Mr. Kablan D. Duncan, Prime Minister, Côte d'Ivoire; Mr. Manuel Feliú, President of CEAL, Chile; Mr. Christopher Galvin, COO Motorola; Mr. Florin Georgescu, State Minister, Minister of Finance, Romania; Ms. Rima Khalaf, Minister of Trade and Industry, Jordan; Mr. Trevor A. Manuel, Minister of Trade and Industry, South Africa; Mr. Jean Monty, President and CEO, Northern Telecom, Canada; Mr. Shri Pranab Mukherjee, Union Minister for Commerce, India; Mr. Rubens Ricupero, Former Minister of Finance, Brazil.

31. In addition to the Advisory Board, an Honorary Board was set up, constituted as follows: Mr. Rafeeuddin Ahmed, Executive Secretary, ESCAP; Mr. Sabah Bakjaji, Executive Secretary, ESCWA; Mr. Yves Berthelot, Executive Secretary, ECE; Mr. Michel Camdessus, Managing Director, International Monetary Fund; Mr. Osama J.I. Faquih, President, Islamic Development Bank; Mr. Enrique V. Iglesias, President, Inter-American Development Bank; Mr. Mauricio de María y Campos, Director-General, UNIDO; Mr. Babacar Ndiaye, President and CEO, African Development Bank; Mr. Lewis T. Preston, President, World Bank; Mr. Gert Rosenthal, Executive Secretary, ECLAC; Mr. James G. Speth, Administrator, UNDP; Mr. Peter D. Sutherland, Director-General, GATT; Mr. Pekka Tarjanne, Director-General, ITU; Mr. Layashi Yaker, Executive Secretary, ECA; Mr. Carlos Fortin, Officer-in-Charge, UNCTAD; Mr. Denis Belisle, Executive Director, International Trade Centre, UNCTAD/GATT; Mr. James W. Shaver, Secretary-General, Customs Cooperation Council.

## 9. Attendance

32. The following States, members of UNCTAD, were represented at the United Nations International Symposium on Trade Efficiency: Albania; Algeria; Angola; Argentina; Armenia; Australia; Austria; Azerbaijan; Bahamas; Bangladesh; Belarus; Belgium; Belize; Benin; Bhutan; Bolivia; Botswana; Brazil; Brunei Darussalam; Bulgaria; Burkina Faso; Burundi; Cameroon; Canada; Cape Verde; Central African Republic; Chad; Chile; China; Colombia; Comoros; Costa Rica; Côte d'Ivoire; Croatia; Cuba; Czech Republic; Denmark; Djibouti; Dominican Republic; Ecuador; Egypt; El Salvador; Eritrea; Estonia; Ethiopia; Finland; France; Gabon; Georgia; Germany; Ghana; Greece; Guinea; Guyana; Honduras; Hungary; India; Indonesia; Iran (Islamic Republic of); Iraq; Israel; Italy; Jamaica; Japan; Jordan; Kenya; Kuwait; Kyrgyzstan; Lesotho; Liberia; Libyan Arab Jamahiriya; Lithuania; Madagascar; Malawi; Maldives; Mali; Malta; Marshall Islands; Mauritania; Mauritius; Mexico; Mongolia; Morocco; Mozambique; Myanmar; Namibia; Nepal; Netherlands; New Zealand; Nicaragua; Niger; Nigeria; Norway; Oman; Paraguay; Peru; Philippines; Poland; Portugal; Qatar; Republic of Korea; Republic of Moldova; Romania; Russian Federation; Saint Vincent and the Grenadines; San Marino; Sao Tome and Principe; Saudi Arabia; Senegal; Sierra Leone; Singapore; Slovakia; Slovenia; Solomon Islands; South Africa; Spain; Sri Lanka; Sudan; Suriname; Sweden; Switzerland; Thailand; Togo; Tonga; Tunisia; Turkey; Uganda; Ukraine; United Arab Emirates; United Kingdom of Great Britain and Northern Ireland; United Republic of Tanzania; United States of America; Uruguay; Viet Nam; Yemen; Zambia; Zimbabwe.

33. The Economic Commission for Europe, the Economic Commission for Africa, and the United Nations Development Programme were represented at the Symposium. The International Trade Centre UNCTAD/GATT was also represented.

34. The following specialized agencies were represented at the Symposium: World Bank, United Nations Industrial Development Organization.

35. The following intergovernmental organizations were represented at the Symposium: African Development Bank; Commonwealth Secretariat; Customs Cooperation Council; European Community; League of Arab States; Organization of the Islamic Conference.

36. The following non-governmental organizations were represented at the Symposium:

General Category
General Union of Chambers of Commerce, Industry and Agriculture of Arab States; International Chamber of Commerce; World Federation of United Nations Associations.

Special Category
EDI World Institute; Federation of African National Insurance Companies.

37. The following invited organization participated in the Symposium: South Investment, Trade and Technology Data Exchange Centre.

## 10. Motion of thanks to the host country and host city

38. At the closing plenary, on 21 October 1994, the representative of Switzerland moved a motion of thanks to the City of Columbus, the State of Ohio, and the United States.

## 11. Closure of the Symposium

39. Closing statements were made by Mr. Ron Brown, President of the Symposium; Mr. Carlos Fortin, Officer-in-Charge of UNCTAD; Mr. Greg Lashutka, Mayor of Columbus; and the representative of Australia.

40. The representative of Australia announced that the City of Melbourne would be prepared to consider hosting a meeting like the Symposium when details of the format became available.

41. The Mayor of Columbus read out a Proclamation of Mayors.

42. Mr. T.A. Manuel (South Africa), Vice-President of the Symposium, declared the Symposium closed.

## Annex I

### LIST OF DOCUMENTS

| | |
|---|---|
| TD/SYMP.TE/1 | Provisional agenda and annotations for the Senior Officials Segment of the United Nations International Symposium on Trade Efficiency |
| TD/SYMP.TE/1/Add.1/Rev.1 | Provisional agenda and annotations for the Ministerial Segment of the United Nations International Symposium on Trade Efficiency |
| TD/SYMP.TE/2 | Recommendations and guidelines for trade efficiency: Background document prepared by the UNCTAD secretariat |
| TD/SYMP.TE/3 | Compendium of trade facilation recommendations:prepared by the UNCTAD secretariat in cooperation wich the ECE Working Party on Facilitation of International Trade Procedures |
| TD/SYMP.TE/4 | Report of the Preparatory Committee for the United Nations International Symposium on Trade Efficiency |
| TD/SYMP.TE/5 | Message received from H.E. Mr. Victor Chernomyrdin, Prime Minister of the Russian Federation |
| TD/SYMP.TE/6 | Report of the United Nations International Symposium on Trade Efficiency |
| TD/SYMP.TE/7 | Summaries of proceedings of the United Nations International Syposium on Trade Efficiency |

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| TD/SYMP.TE/R.1 | Draft Columbus Ministerial Declaration on Trade Efficiency |
| TD/SYMP.TE/R.2 | Draft recommendations and guidelines for trade efficiency |
| TD/SYMP.TE/Misc.1 | Provisional list of participants |
| TD/SYMP.TE/Misc.2/Rev.1 | Chairman's summary of the work of the sectoral sessions on policy issues and possible actions for further consideration |
| TD/SYMP.TE/Misc.3 | President's draft summary of issues discussed during the plenary meetings of the Ministerial Meeting |
| TD/SYMP.TE/INF.1 | List of participants |